



News Release

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STRONG GROWTH IN COMPUTER RETURNS AND FEDERAL/STATE E-FILE

WASHINGTON – The Internal Revenue Service continues to receive more tax returns electronically, with especially big increases in taxpayers e-filing from their own computers – almost 7 million, up nearly 30 percent over this time last year – and for those e-filing federal and state returns together – more than 14.4 million, up 14 percent.

“Our Free File program is driving a strong growth in e-filing among taxpayers using their home computers,” said Terry Lutes, IRS Director for Electronic Tax Administration. “Greater accuracy, faster refunds and an acknowledgment of filing are benefits of the e-file experience.”

The IRS Web site – www.irs.gov – links to 17 Free File partners that offer free e-filing for selected groups of taxpayers, such as persons with certain incomes or residents of selected states.

Taxpayers can get e-filing’s benefits for their state tax returns by sending their federal and state returns together in one transmission. This federal/state e-filing is available in all states with a state income tax.

Federal/state e-filers usually send both returns through a transmitter to the Internal Revenue Service, which then forwards the state return information to the state tax agencies for their processing. In four states -- California, Maine, Massachusetts and Minnesota -- the transmitters electronically route the federal and state data directly to the respective agencies.

Taxpayers can e-file their federal/state combination either through tax professionals or from their home computers. Many of the volunteer sites under the IRS-sponsored Volunteer Income Tax Assistance or Tax Counseling for the Elderly programs offer free e-filing for those who come to them. Taxpayers can locate volunteer sites in their communities by calling the IRS at 1-800-829-1040.

Seven states are partnering with the IRS to offer their taxpayers a federal/state telephone filing option: Georgia, Indiana, Kentucky, Maryland, Missouri, Oklahoma and West Virginia. This joint system is for taxpayers who qualify for the simplest tax return and who received TeleFile packages from both the IRS and the state tax agency. Nearly 258,000 taxpayers have used federal/state TeleFile so far this year.

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2003 FILING SEASON STATISTICS

Cumulative through the week ending 3/8/02 and 3/7/03

	<u>2002</u>	<u>2003</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	53,802,000	54,267,000	0.9
Total Processed	45,851,000	47,346,000	3.3
E-filing Receipts:			
TOTAL	30,857,000	33,704,000	9.2
TeleFile (phone)	3,083,000	2,914,000	- 5.5
Computer	27,774,000	30,790,000	10.9
Tax Professionals	22,418,000	23,866,000	6.5
Self-prepared	5,356,000	6,924,000	29.3
Refunds Certified:			
Number	41,833,000	43,250,000	3.4
Amount of principal	\$85.284 billion	\$90.341 billion	5.9
Average refund	\$2,039	\$2,089	2.5
Direct Deposit Refunds:			
Number	25,453,000	28,236,000	10.9
Amount	\$61.518 billion	\$68.658 billion	11.6
Average	\$2,417	\$2,432	0.6